

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF HERMOSA BEACH
AND
MANAGEMENT EMPLOYEE GROUP
JULY 1, 2025 - JUNE 30, 2028



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**SALARY, BENEFITS AND OTHER CONDITIONS OF EMPLOYMENT
FOR MANAGEMENT EMPLOYEES
FOR THE PERIOD COMMENCING JULY 1, 2025, THROUGH JUNE 30, 2028**

ARTICLE 1 – PREAMBLE

The provisions of this Agreement have been developed in the interest of promoting and improving employee relations between the City of Hermosa Beach, California and Management Employees who are represented by the Hermosa Beach Management Employees' Group.

ARTICLE 2 – PARTIES TO MEMORANDUM

This Memorandum of Understanding, hereinafter referred to as the "MOU" or the "Agreement", has been entered into, pursuant to the laws of the State of California and the City of Hermosa Beach, California, by and between the CITY OF HERMOSA BEACH, hereinafter referred to as the "City" or as "Management", and the MANAGEMENT EMPLOYEE GROUP, hereinafter referred to as the "Association".

ARTICLE 3 – RECOGNITION

The City recognizes the Association as the exclusive bargaining representative for all employees who are or become employed in those job classifications contained on Exhibit "A", which is attached hereto and made a part of this Agreement. The parties recognize that this Agreement contains wages, benefits and working conditions that pertain only to members of the Management Employee Group.

ARTICLE 4 – MUTUAL RECOMMENDATION

This Agreement constitutes a mutual recommendation by the parties to the City Council. This Agreement shall become effective upon approval by the City Council of the City.

ARTICLE 5 – SCOPE OF REPRESENTATION

The Scope of Representation of the Association shall include all matters relating to employment conditions and employer-employee relations including wages, hours, and other terms and conditions of employment.

ARTICLE 6 – FULL UNDERSTANDING, MODIFICATION, WAIVER

- A. It is intended that this Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or Agreements by the parties whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- B. Except as specifically provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right and agrees that the other shall not be required to negotiate with respect to any subject or matter covered herein during the term of this Agreement. Association members and the City can meet and confer on mutually desirable changes as needed.
- C. Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved and implemented by the City Council.
- D. The waiver of any breach, term or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 7 – CONSTITUTIONALITY

If any section, subsection, sentence, clause or phrase of this Agreement is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portion of this Agreement.

ARTICLE 8 – MANAGEMENT RIGHTS

- A. It is agreed that during the term of this Agreement herein the exercise of the following powers, rights, authority, duties and responsibilities by the City, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and the discretion in connection therewith, shall be limited only by the specific and express terms of this Memorandum of Understanding, City Personnel Ordinance, Personnel Rules and Regulations, and other statutory law.
- B. Except in emergencies, or where the City is required to make changes in its operations because of the requirements of law, whenever the exercise of management's rights shall impact on employees of the bargaining unit, the City agrees to meet and confer with representatives of the Union, regarding the impact of the exercise of such rights unless the matter of the exercise of such rights is provided for in this Memorandum of Understanding.

C. MANAGEMENT RIGHTS

1. Manage the City.
2. Schedule working hours.
3. Establish, modify or change work schedules or standards.
4. Institute changes in procedures.
5. Direct the workforce, including the right to hire, promote, demote, transfer, suspend, discipline or discharge any employee.
6. Determine the location of any new facilities, building, departments, divisions, or subdivisions thereof, and the relocation, sale, leasing or closing of facilities, departments, divisions, or subdivisions thereof.
7. Determine services to be rendered.
8. Determine the layout of buildings and equipment and materials to be used herein.
9. Determine processes, techniques, methods and means of performing services.
10. Determine the size, character and use of inventories.
11. Determine the financial policy including accounting procedures.
12. Determine the administrative organization of the system.
13. Determine selection, promotion, or transfer of employees.
14. Determine the size and characteristics of the workforce.
15. Determine the allocation and assignment of work to employees.
16. Determine policy affecting the selection of new employees.
17. Determine the establishment of quality and quantity standards and the judgment of quality and quantity of work required.
18. Determine administration of discipline.
19. Determine control and use of City property, materials and equipment.
20. Schedule work periods and determine the number and duration of work periods.
21. Establish, modify, eliminate or enforce rules and regulations.
22. Place work with outside firms.
23. Determine the kinds and numbers of personnel necessary.
24. Determine the methods and means by which operations are to be conducted.
25. Require employees, where necessary, to take in-service training courses during working hours.
26. Determine duties to be included in any position.
28. Take any and all necessary action to carry out the mission of the City in cases of an emergency.

ARTICLE 9 – NON-DISCRIMINATION

Both parties to this Agreement agree not to discriminate against any employee or applicant because of hair texture and protective hairstyles (such as braids, locks, and twists), color, religious creed (including religious dress and religious grooming practices), national origin, ancestry, citizenship status, age (40 years and older), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender identity and expression (including transgender identity and expression), because an individual has

transitioned (to live as the gender with which they identify), is transitioning (or is perceived to be transitioning), sexual orientation, sex stereotyping, marital status, domestic partner status, military service and veteran status, physical and/or mental disability (including HIV and AIDS), legally protected medical condition or information (including genetic information), protected medical leaves (requesting or approved), status as a victim of domestic violence, sexual assault, or stalking, enrollment in a public assistance program, their intersectionality of protected characteristics, Association Membership or activity or any other basis protected by local, state, or federal laws. political affiliation, race, religion, color, sex, age, marital status, national origin, or handicap, and with proper regard for their privacy and constitutional rights as citizens.

Additionally, the City expects and requires all Employees to treat one another with dignity and respect. Harassment of other Employees is a violation of law. No employment decision may be made based upon an Employee's submission to or rejection of such conduct. It is the responsibility of any Employee who believes that they are the victim of such harassment to report the conduct to the supervisor, Department Director, Human Resources Manager or the City Manager in a timely manner.

ARTICLE 10 – MANAGEMENT EMPLOYEES PURPOSE AND INTENT

- A. The City is cognizant of the crucial role that the Management Employees have in implementing and enforcing the City's policies, practices and procedures. The Management Employees wholeheartedly accept these responsibilities and are committed to the success of City goals. The Management Employees agrees to encourage Employees in an attitude of excellence of job performance and increased productivity.
- B. Both the City and the Management Employees must positively support these concepts and mutually promote a cooperative alliance for carrying out these provisions. The Management Employees are a vital component in the current and future growth of the City and endeavors to act as a valued liaison to communicate City mandates to Employees. This attention to the pursuit of obtaining the most efficient and effective level of professionalism positions the Management Employees as an outstanding management team.

ARTICLE 11 - ASSOCIATION ACCESS TO NEW EMPLOYEE ORIENTATION & INFORMATION

Pursuant to AB 119, the City agrees to provide, when practical, no less than 10-days' notice in advance of any new employee orientations and provide the Association with access to the orientation(s). Orientation refers to any onboarding process, whether in person, online or through other means.

Access shall be determined by the Association, which could mean representational attendance or correspondence. The Association shall advise the City reasonably in advance as to the type of access requested. The City agrees to provide such reasonable notice of current employees that have changed position status (i.e. part-time to full-time, promotional, etc.) that necessitates a change in bargaining unit. Should the Union decide to attend the orientation, the union shall have up to 30 minutes to meet with the employee privately.

The City agrees, pursuant to AB 119, to provide the Association with the name, job title, department, work location, and work telephone number of newly hired employees within thirty (30) days of the date of hire. The City also agrees to provide the Association and the City Employees Associates with the name, job title, department, work location, home and personal cellular telephone numbers, personal email addresses and home address of all bargaining unit employees annually.

ARTICLE 12 – DEFERRED COMPENSATION

- A. Each employee, individually, may elect to participate in any deferred compensation plan offered by the City.
- B. The City will contribute a maximum of \$10,000 per calendar year for management employees participating in one of the deferred compensation programs.

ARTICLE 13 – WORK HOURS

- A. For FLSA purposes a "WORK-WEEK" shall be defined as:
 - 1. For employees working a 5/40 or 4/40 Monday through Friday schedule: commencing at 0001 hours Sunday and terminating at 2400 hours Saturday. The work week for employees working other than a Monday through Friday schedule shall be defined in such a manner as to comply with FLSA work period requirements
 - 2. For employees working a Monday through Friday 9/80 schedule: commencing 1101 hrs. Friday and terminating the following Friday at 1100 hrs. The work week for employees working other than a Monday through Friday schedule shall be defined in such a manner as to comply with FLSA work period requirements. The "9/80" schedule provides eighty (80) scheduled hours in a 14-day (two week) cycle where (1) one week the employee works four 9-hour workdays and one 8-hour workday, and (2) the subsequent week consists of four 9-hour workdays with one day off. The "work week" for FLSA overtime purposes shall be established as four hours into the shift of the eight-hour day and in such a manner that no Consecutive seven-day (168 hour) period shall exceed 40 hours.

3. For employees working a 3/36 schedule: The 3/36 schedule shall be established in such a manner so as to be in compliance with the Fair Labor Standards Act (FLSA) regarding overtime.

ARTICLE 14 – COMPENSATION

The City agrees to hire and appropriately compensate capable Management Employees. They will be professional, be adequately trained, and meet standards required for such positions. The Council reaffirms that compensation will include such items as salary, deferred compensation, health insurance and merit pay.

- A. The salary table attached to the MOU as Exhibit A shall be revised by increasing each amount as follows:
 1. Effective July 1, 2025, the salary table shall be adjusted to bring all bargaining unit positions that are below market median as determined by the 2025 Reward Strategy Group Salary Survey Results report to the median identified by the report.
 2. Effective July 1, 2025, and after the implementation of median adjustments, where applicable, the salary table for all classifications will be increased by an additional three percent (3%).
 3. Effective July 1, 2026, the salary table for all classifications shall be increased by three percent (3%).
 4. Effective July 1, 2027, the salary table for all classifications shall be increased by three percent (3%).
- B. The City and the Association agree that salary steps for all classifications are “1” through “4”, each step to be one (1) year apart. Step increases shall be effective at the beginning of the next pay period following the employee's anniversary of their date of hire (1st or 16th of the month). To be eligible for a step increase, an employee must receive an overall evaluation of “meeting expectations” or better.
- C. All employees covered by this Agreement shall receive a timely, annual performance review.
- D. To be eligible for a step increase, an employee must receive an overall evaluation of (3) Meets Standards or higher on the employee’s annual Performance Appraisal.

ARTICLE 15 – CHIEF OF POLICE PREMIUMS PAYS

A. Peace Officer Standard Training

1. The Chief of Police, who possesses an Executive POST Certificate, is eligible to receive additional compensation of 10% of base salary for the Police Chief.

B. Uniform Allowance

1. The uniform allowance for the Chief of Police shall be \$1,200 per year, payable through the regular payroll schedule.
2. Uniform allowances shall be reported to CalPERS periodically when earned, on a per pay period basis, in accordance with the Public Employees' Retirement Law (PERL) and applicable regulations.
3. These items are not reportable for "new members" under the Public Employees' Pension Reform Act of 2013 (PEPRA), as defined by Government Code Section 7522.04(f).

ARTICLE 16 – MANAGEMENT PERFORMANCE BONUS PROGRAM

- A. Employees covered by this Resolution shall be eligible to receive a Management Performance Bonus award annually for superior performance. Said bonus award shall be in an amount determined by the City Manager based on the chart below and shall not exceed 10% of base annual salary.
- B. Individual Goal/Competency Performance Rating: Exceptional (5), Exceeds Expectations (4), Meets Expectations (3), Below Expectations (2), and Unsatisfactory (1).

BASED ON & OF GOALS/COMPETENCIES	
% of Goals/Competencies achieved with "Exceptional" Rating (rating of 4 or 5 only)	Bonus % Earned Based on Exceptional Rating in Individual Goals/Competencies
90-100% of Goals Rated "Exceptional"	10%
80-89% of Goals Rated "Exceptional"	9%
70-79% of Goals Rated "Exceptional"	8%
60-69% of Goals Rated "Exceptional"	7%
50-59% of Goals Rated "Exceptional"	6%

40-49% of Goals Rated "Exceptional"	5%
30-39% of Goals Rated "Exceptional"	4%
20-29% of Goals Rated "Exceptional"	3%

- C. Bonuses are to be awarded in November of each year. They are awarded for achievement of exceptional performance during the prior year as determined by how many goals were met during the year.
- D. Program Criterion
 1. The achievement of goals and competency ratings are evaluated in an annual meeting with each management employee and the City Manager to determine amount of management performance bonus.
 2. The accomplishments of each department are considered by meeting annual goals and performance objectives set by the Department Head and the City Manager.
 3. Professional relationships between the management employee and the public, City Council, city commissions, departmental staff, other management personnel, and the City Manager are considered.
 4. Tenure as a management employee is considered.
 5. Citywide goals and objectives are established annually by the City Council as part of the budget process and each management employee establishes independent goals for their department in order to meet these broad objectives. Progress towards meeting these objectives is considered.
 6. Response to and ability to resolve problems as they arise are factors in determining annual bonuses.
- E. The Performance Bonus may be prorated if an employee voluntarily leaves the City before the end of the rating period or becomes member of the Management Employees Bargaining Unit after the start rating period from another Bargaining Unit. Prorating the Performance Bonus is at the discretion of the City Manager.
- F. The review period shall be January – December of the current calendar year.

ARTICLE 17 – ADDITIONAL COMPENSATION

- A. Should responsibilities of a position change significantly, the compensation for the classification shall be established following completion of an appropriate salary survey. Said salary shall be commensurate with the new responsibilities.
- B. In keeping with current employment trends for public sector executives, the City Manager may authorize additional incentives upon initial appointment that may include such items as reimbursement of reasonable relocation expenses, temporary housing assistance up to a maximum of \$15,000, and/or establishing balances or advances in accumulated vacation or sick leave. Any expense reimbursements shall be supported by appropriate receipts and made in accordance with established City policies.

ARTICLE 18 – ACTING CITY MANAGER PAY

- A. Management employees may be assigned with duties of “acting” City Manager during a short-term absence of the City Manager due to vacation, illness or other reason. Such designation shall be mutually agreed to by the City Manager and the Management Employee(s). Assignments may be daily, weekly or monthly and shall be paid as a per diem base premium of 10%.
- B. An individual so assigned shall report directly to the City Manager and shall operate within specified written goals and objectives.
- C. Said appointment shall terminate at the pleasure of either party
- D. In the event of a vacancy of the City Manager, the City Council may temporarily appoint a Management Employee to act as the City Manager. The Management Employee shall be eligible for a 10% premium pay while performing the duties.
- E. In accordance with Gov. Code Section 20480, if an employee is placed in an Acting position that is vacant as a result of a vacancy, the hours worked by the employee shall be reported to PERS and shall not exceed nine hundred sixty (960) hours per fiscal year.

ARTICLE 19 – EXEMPT EMPLOYEES

All Management Employees are designated as exempt under FLSA.

ARTICLE 20 – VACATION

- A. Upon employment, Management employees shall accrue vacation at the following rates:
 - 1. 114 hours per year through four (4) years of service.
 - 2. 138 hours per year, five (5) years through (8) years of service.
 - 3. 210 hours per year, nine (9) years or more of service.

- B. Further, the employee may be paid cash in lieu of unused vacation in excess of two weeks (80 hours) vacation at any time.
- C. Vacation may be accrued up to a thirty (30) month accrual level, with an automatic cash-out of hours in excess of that amount.
- D. Employees shall be compensation for 100% unused vacation days accrued upon resignation, retirement or imposed termination from their employment with the City.

ARTICLE 21 – PRIOR SERVICE CREDIT

Upon successful completion of five (5) years of service for the City of Hermosa Beach in a position covered by this Agreement each employee's prior full-time government (state, local, county, or special district) years of service will be counted towards the accrual of benefits provided under this agreement including accrual of paid leave and retiree medical benefits. All prior and current years of service will be considered as continuous service with the City of Hermosa Beach.

ARTICLE 22 – MANAGEMENT LEAVE

Employees in exempt classifications listed above shall receive one hundred and ten (110) hours of Management Leave each calendar year for extraordinary assignments in addition to fixed holidays, vacation, and Bereavement Leave. Management Leave does not accumulate or carry over and it must be used each year. If not used by December 31st of each calendar year, any unused Management Leave shall be forfeited. Said leave shall have no monetary value and shall be prorated for partial years' service upon initial appointment.

ARTICLE 23 – SICK LEAVE

A. Basis of Sick Leave

Employees shall accrue sick leave at the rate of ten (10) hours per month. After 200 hours are accrued, a unit member may cash out annually up to a maximum of 96 hours at the Employee's regular rate of pay at 100% rate. In lieu of cash out, Employees may convert up to a maximum of ninety-six (96) hours of sick time to vacation time annually, accrued in excess of two hundred (200) hours provided that the vacation bank does not exceed allowed maximum level. The cash outs will take place based on the accrual balance as of November 16th and paid on the check of December 5th.

- B. Employees covered by this Agreement may, upon resignation, retirement or imposed termination from their employment with the City, elect to be paid for unused sick leave accrued prior to June 30, 2017, at their current rate of pay. Except as provided in A above, unused sick leave accrued after June 30, 2017, shall not be cashed out. Pursuant

to Government Code § 20965, related CalPERS, rules and the City's contract with CalPERS, upon retirement from City employment, an employee's unused accumulated sick leave at the time of retirement may be converted to additional service credit.

- C. Additional information on eligible leaves, including statutory leaves, can be found in Rule XXV of the City of Hermosa Beach's Personnel Rules.

ARTICLE 24 – BEREAVEMENT LEAVE

- A. Each Employee covered by this Agreement shall receive a maximum of forty (40) hours per occurrence to be utilized for Bereavement Leave because of a death in their immediate family, including spouse, child, parent, sibling, grandparent, grandchild, domestic partner, parent in-law, and stepchild.
- B. One additional unpaid shift shall be granted to the employee upon request. The employee can elect to use available paid leave accruals to cover the additional shift.
- C. Employees may pre-designate and substitute other immediate family members defined as "immediate family." The intent of this provision is not to expand the number of persons included in the definition of "immediate family" or to increase paid leave opportunities, but rather to recognize variation in family structure (e.g. stepmother for mother).
- D. Bereavement Leave shall be taken within twelve (12) months of the death of the covered family member and does not need to be consecutive nor will pay in lieu of unused leave for bereavement be provided.

ARTICLE 25 – JURY DUTY

If called for jury duty in a Municipal, Superior, or Federal Court, or for a Coroner's Jury, employees covered by this Agreement shall remain in their regular pay status. All jury fees except mileage reimbursement shall be returned to the City. The City will provide paid jury duty leave in accordance with Administrative Policy P15.

ARTICLE 26 – MILITARY LEAVE

All employees covered by this Agreement shall be entitled to Military Leave as afforded by Federal and State law but shall not receive any base salary pay while on such Leave, except as required by law.

ARTICLE 27 – HOLIDAYS

- A. All employees covered by this Agreement shall receive 110 hours per year for the following holidays off with pay: New Year's Day; Martin Luther King, Jr.'s Birthday; President's Day; Cesar Chavez Day; Memorial Day; Juneteenth; Independence Day; Labor Day; Veterans Day; Thanksgiving Day; half-day (5 hours) on Christmas Eve; Christmas Day; and half-day (5 hours) on New Year's Eve.

- B. When a holiday falls on a normal day off, employees shall receive Holiday Compensation Time. Employees covered by this Agreement may accrue up to 100 hours of Holiday Compensation Time for those holidays in which compensatory time is earned. The City will provide a holiday schedule to the Association for review prior to January 1 of each year. For all holidays that fall on a Friday or Saturday, City Hall offices will be open regular hours on Monday and employees will receive compensatory time. For all holidays that fall on a Sunday, the holiday will be observed on Monday.
- C. Additionally, if the Police Chief works on a recognized holiday, the Police Chief shall receive Holiday Compensatory Time at a rate of hour-per-hour worked not to exceed the normal daily work schedule.

ARTICLE 28 – RETIREMENT

- A. Tier I. The City maintains the 2% @ 55 PERS contract with one-year final compensation for Classic Management Employees. For Police Chief the rate is 3% @ 50.
- B. Tier II. For Classic Management Employees hired after July 1, 2022, the City will offer the PERS retirement formula known as 2% @ 60 with retirement benefits being calculated with one-year final compensation.
- C. Tier III. Employees hired on or after January 1, 2013, shall be subject to the Public Employee Pension Reform Act, (“PEPRA”; Assembly Bill 340) including but not limited to:
 - 1. 2% at 62 retirement formula for those who are “new members” as that term is defined in AB 340.
 - 2. Such new members shall pay to PERS by payroll deduction 50% of the “normal cost” as defined in AB 340 or the then current contribution rate of similarly situated employees, whichever is greater, as required by new Government Code section 7522.30(c).

ARTICLE 29 – RETIREE MEDICAL PREMIUM

- A. Tier One.
 - 1. For employees hired before July 1, 2018, employees shall be eligible, upon retirement from the City, for a Medical Premium Supplement. Said supplement shall be paid as follows:
 - a. For retirement at age fifty-five (55) with a minimum of ten (10) years continuous service with the City, a sixty dollar (\$60.00) per month (or cost of policy, whichever is less) insurance supplement.

- b. For retirement with a minimum of twenty (20) years continuous service the City shall pay the cost of the retiree's health insurance for the employee only effective July 1, 1999.
 - c. Said supplement shall commence with the first month following the employee's retirement in which the employee is responsible for payment of the insurance premium.
2. In order to be eligible for medical supplemental payments, an employee must either remain on a medical insurance plan offered by the City or provide proof of coverage on a self-procured medical insurance plan.
3. Retirees who are eligible for a stipend but who are not covered on the City policy are still eligible to receive their stipend. Payments will only be made when the retiree provides proof of coverage of insurance and proof of the amount paid for said coverage. The amount paid to the retiree will be either the amount paid for coverage, or the stipend amount allowed by the MOU.
4. Any employee receiving a benefit under this section agrees to apply for, and enroll in, any Federal and/or State medical insurance plan (e.g. MediCare, Medicaid) for which they become eligible.

B. Tier Two

1. For employees hired on or after July 1, 2018, employees shall be eligible, upon retirement from the City, for a Medical Premium Supplement to be paid as follows:
 - a. For service retirement at age 60 with a minimum of twenty (20) years continuous service with the City of Hermosa Beach, a \$400.00 per month medical insurance supplement.
 - b. The supplement shall commence with the first month following the employee's service retirement in which the employee is responsible for payment of the insurance premium and end with the month in which the employee reaches the eligibility age of State or Federal Medicaid, currently 65 years of age.

ARTICLE 30 – TAKE HOME VEHICLE

The Police Chief shall be assigned a city-owned take home vehicle assigned for their use.

ARTICLE 31 – INSURANCE

- A. The City agrees to establish and maintain a Cafeteria Plan in accordance with the provisions of Section 125 of the Internal Revenue Code. The purpose of the Plan is to

allow eligible employees to elect to pay for qualified benefits on a pre-tax basis, to the extent permitted by law.

The Cafeteria Plan shall permit pre-tax deductions for the following qualified benefits, subject to IRS regulations and plan design:

1. Health insurance premiums (including medical, dental, and vision coverage).
 2. Health Flexible Spending Accounts (FSA).
 3. Dependent Care Assistance Plans (DCAP).
 4. Any other qualified benefit permitted under Section 125 and approved by the City.
- B. The City shall make available to all employees the following insurance plans during the term of this Agreement: Current Health, Dental, Long-Term Disability, Life Insurance, Vision Program, Mental health, or their equivalent. The City will pay for employees' Short-term Disability, Long Term Disability, Life Insurance and vision care.
- C. The City will provide employees a choice of a Preferred Provider Option (PPO) or a Health Maintenance Organization (HMO), both of which will include prescription coverage.
- D. The City's maximum Monthly premium contribution toward medical insurance for each employee's selected plan and level of coverage is \$1,875.39. Employees choosing a medical insurance plan and/or coverage level with a monthly premium that exceeds the City's maximum contribution shall pay the difference by pre-tax payroll deduction.
- E. City shall provide employees a dental insurance plan to include a choice of an indemnity plan or a pre-paid plan.
- The City's maximum monthly premium contribution toward dental insurance for each employee's selected plan and level of coverage will be \$226.30. Employees choosing a dental insurance plan and/or coverage level with a monthly premium that exceeds the City's maximum contribution shall pay the difference by payroll deduction.
- F. An employee who demonstrates proof of medical insurance coverage available through a spouse may receive a cash payment of \$750.00/month in lieu of City provided coverage. An employee who opts not to receive City provided dental insurance coverage may receive a cash payment of \$226.30/month. An employee who opts not to receive vision insurance coverage may receive a cash payment of \$21.26/month.

ARTICLE 32 – SHORT & LONG TERM DISABILITY

- A. The City's Short-Term Disability (STD) Insurance Plan begins after a 7-day waiting period. The maximum benefit is 66 2/3% of earnings up to a maximum of \$1,698 per week. The City's Long Term Disability Insurance Plan provides 66 2/3% of earnings has a maximum benefit of nine thousand dollars (\$9,000) per month and begins after ninety (90) days of disability or the date STD benefits end, whichever is later.

- B. Employees are eligible to coordinate their Short and Long-Term Disability Insurance with paid compensated time-off work to be paid up to one hundred percent (100%) of regular take-home pay.
- C. An employee utilizing the Long-Term Disability Plan shall not accrue vacation, sick leave, holiday pay and allowances after the 90th day of disability.

ARTICLE 33 – FAMILY AND MEDICAL CARE LEAVE

As required by State and Federal law, the City will provide Family and Medical Care Leave for eligible Employees. The City maintains an FMLA/CFRA/PDL procedure which governs Family and Medical Care Leave and is provided to all employees at the start of their employment and is also available on the City's Intranet site

ARTICLE 34 – LIFE INSURANCE

City shall provide term life insurance for all employees covered by this Agreement in an amount equal to twice the individual's annual salary to a maximum of \$200,000.

ARTICLE 35 – WELLNESS REIMBURSEMENT PROGRAM

- A. Employees may request reimbursement of up to \$500 dollars per plan year for participation in activities that promote personal health and wellness.
- B. Eligible expenses must be incurred while actively employed and include:
 - 1. Gym, fitness center/studio, and health club membership and fees.
 - 2. Fitness and nutrition counseling.
 - 3. Fitness and sports classes/lessons.
 - 4. Yoga, Pilates and meditation classes.
- C. Expenses not eligible for reimbursement include but are not limited to apparel, vitamins, proteins, supplements, exercise equipment and salon/spa memberships. All reimbursement requests are subject to Human Resources approval.
- D. The Plan Year for the wellness reimbursement will be paid for expenses purchased from July 1 through June 30 of the prior fiscal year. All reimbursement requests must be submitted to Human Resources between the first and last business day of July each year (annual request period). Costs above the annual maximum of \$500 will be the sole responsibility of the employee. No carryover is allowed of any unused funds. Employees must submit the Wellness Reimbursement Request Form to Human Resources during the annual request period and attach all itemized receipts/proof of purchase for qualified purchases to the request form. Human Resources may request additional information to determine eligibility for reimbursement. Employees must be active on the payout date in order to receive reimbursement.

ARTICLE 36 – LIABILITY INSURANCE

Except as provided in Government Code Section 995.2, CITY shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Govt. Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Govt. Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If CITY pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude CITY payments for defense, employee shall immediately reimburse CITY, and if they fail to do so, CITY may offset any such amounts against compensation otherwise due employee under this Agreement.

ARTICLE 37 – ORGANIZATIONAL DEVELOPMENT AND MANAGEMENT TRAINING

\$3,500.00 shall be budgeted each year for group training purposes. A committee comprised of the City Manager, and two management employees, shall select and schedule training programs for participation of employees covered by this Agreement.

ARTICLE 38 – INDUSTRIAL ACCIDENTS AND ILLNESSES

- A. It is understood that the City will provide medical facilities to be used for industrial accidents or illness.
- B. Employees will be seen and treated by medical professionals that are part of the City's Medical Provider Network, unless an employee has pre-designated a physician.
- C. Employees may designate a personal physician to provide treatment in the event of a workers' compensation injury or illness. A pre-designation form entitled, "PERSONAL PHYSICIAN PRE-DESIGNATION FORM FOR WORK RELATED INJURIES" must be completed in order to designate a physician. This two-page form is available in the Human Resources Office and must be signed by the employee AND their personal physician and returned to the Human Resources office BEFORE an injury occurs in order to be valid.
- D. An employee who suffers an injury-on-duty will continue to have payment of the City portion of all Health Insurance premiums paid for a period of seven (7) full months commencing with the month in which the injury occurred.
- E. Accrual of vacation, sick, and holidays shall be governed by the provisions of Article 32.C.
- F. Nothing herein shall prevent an employee from utilizing their accrued time in lieu of receiving temporary disability payments under the provisions of the Workers' Compensation laws of the State of California.

ARTICLE 39 – GRIEVANCE PROCEDURE

- A. This grievance procedure shall be used to resolve disputes arising from any allegation by management employees that the City has violated the terms of this Resolution.
- B. The complaint shall be presented in writing to the City Manager. The City Manager shall have five (5) working days of receipt of the complaint to resolve the issue or respond to it in writing stating the reasons for the failure to resolve it. This exhausts all administrative remedies.

ARTICLE 40 – AT-WILL EMPLOYMENT

- A. All employees covered by this agreement are “At-Will” per Rule II.A. of the City of Hermosa Beach Personnel Rules and Regulations and as such may be dismissed with or without cause.
- B. At-Will employees do not have appeal or “Skelly” rights of any action taken by the City Manager as outlined in Rule XXX of the City of Hermosa Beach Personnel Rules and Regulations
- C. If an employee in the classified service is appointed to a position covered by this Agreement and becomes At-Will, and is subsequently dismissed or laid off, they shall, dependent upon seniority in the classified service, either be restored to their prior classified classification, or placed on a priority list for the classified classifications in which they hold status. At-Will employees do not accrue seniority.
- D. If the employee's dismissal from the At-Will position was for a violation of Federal or State law, Municipal Code Provisions, City Ordinances, duly authorized and adopted written departmental rules and regulations, or City Administrative Directives, dismissal shall accomplish a separation from both the classified and unclassified service of the City and the employee shall have no right of appeal as outlined in Rule XXX of the City of Hermosa Beach Personnel Rules and Regulations.

ARTICLE 41 – REOPENERS

- A. The parties agree to reopen the meet and confer process during the term of this MOU only as regards the following issues. These reopeners are not contingent upon the execution of any successor MOU and no successor MOU is contingent upon agreement on these reopeners:
 - 1. The City and the Management Group agree to meet and confer on moving the City from a bi-monthly payroll period to a bi-weekly payroll period. It is understood that in order to move to a bi-weekly payroll all bargaining units in the City must agree to this change by mutual consent.

2. The City and the Management Group agree to meet and confer on the City's contribution for medical coverage if the monthly premium exceeds the cost of the family HMO plan. Any changes to the contribution for medical coverage can only be made by mutual consent.

ARTICLE 42 – TERM OF AGREEMENT

This Agreement shall commence July 1, 2025, and continue until midnight June 30, 2028.

IN WITNESS WHEREOF, the parties hereto cause this Agreement to be executed the _____ day of _____, 2025.

HERMOSA BEACH MANAGEMENT GROUP

CITY OF HERMOSA BEACH

Brandon Walker,
Director of Administrative Services

Cynthia Stafford,
Chief Negotiator

Landon Phillips,
Police Chief

Steve Napolitano,
Interim City Manager

Alison Becker,
Community Development Director

Lisa Nichols,
Community Resources Director

Joseph SanClemente,
Public Works Director

Myra Maravilla,
City Clerk

EXHIBIT A

EFFECTIVE JULY 1, 2025 - JUNE 30, 2026					
GRADE	TITLE	Monthly Salary Range			
		Step 1	Step 2	Step 3	Step 4
M04	CITY CLERK	\$11,412.27	\$11,982.88	\$12,582.02	\$13,211.12
M05	COMMUNITY RESOURCES DIRECTOR	\$15,907.13	\$16,702.49	\$17,537.62	\$18,414.50
M20	COMMUNITY DEVELOPMENT DIRECTOR	\$16,590.38	\$17,419.90	\$18,290.90	\$19,205.44
M25	ADMINISTRATIVE SERVICES DIRECTOR	\$16,692.10	\$17,526.70	\$18,403.04	\$19,323.19
M35	PUBLIC WORKS DIRECTOR	\$16,692.84	\$17,527.49	\$18,403.86	\$19,324.05
M40	POLICE CHIEF	\$19,291.43	\$19,870.17	\$20,863.68	\$21,906.86

EFFECTIVE JULY 1, 2026 - JUNE 30, 2027					
GRADE	TITLE	Monthly Salary Range			
		Step 1	Step 2	Step 3	Step 4
M04	CITY CLERK	\$11,754.63	\$12,342.37	\$12,959.48	\$13,607.46
M05	COMMUNITY RESOURCES DIRECTOR	\$16,384.35	\$17,203.57	\$18,063.74	\$18,966.93
M20	COMMUNITY DEVELOPMENT DIRECTOR	\$17,088.10	\$17,942.50	\$18,839.63	\$19,781.61
M25	ADMINISTRATIVE SERVICES DIRECTOR	\$17,192.86	\$18,052.50	\$18,955.13	\$19,902.89
M35	PUBLIC WORKS DIRECTOR	\$17,193.63	\$18,053.31	\$18,955.98	\$19,903.77
M40	POLICE CHIEF	\$19,870.17	\$20,466.27	\$21,489.59	\$22,564.07

EFFECTIVE JULY 1, 2027 - JUNE 30, 2028					
GRADE	TITLE	Monthly Salary Range			
		Step 1	Step 2	Step 3	Step 4
M04	CITY CLERK	\$12,107.27	\$12,712.64	\$13,348.27	\$14,015.68
M05	COMMUNITY RESOURCES DIRECTOR	\$16,875.88	\$17,719.67	\$18,605.66	\$19,535.94
M20	COMMUNITY DEVELOPMENT DIRECTOR	\$17,600.74	\$18,480.78	\$19,404.81	\$20,375.06
M25	ADMINISTRATIVE SERVICES DIRECTOR	\$17,708.65	\$18,594.08	\$19,523.78	\$20,499.97
M35	PUBLIC WORKS DIRECTOR	\$17,709.44	\$18,594.91	\$19,524.65	\$20,500.89
M40	POLICE CHIEF	\$20,466.27	\$21,080.26	\$22,134.28	\$23,240.99